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May 2, 2018

Dear Fellow Employee,

As has been the case since 2012, the current Budget Bill mandates that the regular payroll for June 30th cannot be issued prior to July 1st. Therefore, please be advised that the payroll you would have received on Friday, June 29, 2018 will be received on Monday, July 2, 2018. Please note this notice only applies to state employees paid through the Personnel Cabinet's payroll system.

We have tried to make this transition as smooth as possible, but also recognize you may have questions and concerns. Accompanying this correspondence is information that further explains the delay in payroll and what impact it may have on you. We encourage you to review this information carefully and contact your HR administrator if you have any additional questions. There are also some important things you can do in the meantime to become more prepared.

- Review automatic bills: If you have any bills that are automatically paid on the 29th of the month, you may want to consider changing the scheduled payment. While the Personnel Cabinet will notify financial institutions about the delay in pay, an automatic bill payment to a third party may be deducted from your account as scheduled. It is a good idea to make these changes as soon as possible, because some businesses may require a certain number of days before making these changes effective.
- <u>Make alternative arrangements</u>: No amount from the June 29th payroll may be paid to employees before July 2nd, which is the first banking day of the new fiscal year. For the very few employees who may continue to receive paper checks, banking institutions have been advised that they may not be cashed early.

Again, as has been the case since 2012, based on the 2016-2018 Budget Bill enacted by the General Assembly, a payroll deferral continues to be mandated. In the event that a future Budget Bill ends this practice, employees will be notified. However, without such notice, it should be expected that each year the June 30th pay will be deferred to July 1 or after.

Please review the accompanying information as it relates to more specific issues. We are hopeful that with this additional information and guidance, we can limit any impact to state employees.

Sincerely

Thomas B. Stephens,

Secretary